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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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MAR 15 2013

COMMISSIONERS

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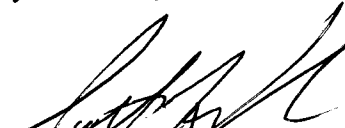
IN THE MATTER OF THE APPLICATION OF
TACNA WATER MANAGEMENT COMPANY
FOR AN EMERGENCY RATE INCREASE.

DOCKET NO. W-01344A-13-0032

STAFF'S NOTICE OF FILING

As directed by the Administrative Law Judge assigned to this matter during the March 15, 2013 procedural conference, the Utilities Division ("Staff") of the Arizona Corporation Commission ("Commission") hereby provides notice of filing a copy of the Interim Management Agreement signed by Nancy Miller of Sunstate Environmental Services and Don Kelland of Tacna Water Management Company on February 14, 2013.

RESPECTFULLY SUBMITTED this 15th day of March, 2013.



Scott M. Hesla, Staff Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

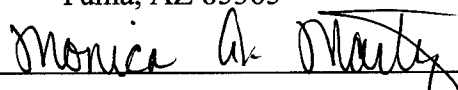
Original and thirteen (13) copies of the foregoing were filed this 15th day of March, 2013 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copies of the foregoing were mailed this 15th day of March, 2013 to:

Steve Kelland
TACNA WATER MANAGEMENT COMPANY
2993 S. Arizona Avenue
Yuma, Arizona 85364

Nancy Miller
Tacna Water Management Company
C/O Sunstate Environmental Services
4743 E 30th Place
Yuma, AZ 85365



Monica A. Mantz

INTERIM MANAGEMENT AGREEMENT

BY AND BETWEEN TACNA WATER COMPANY AND SUNSTATE ENVIRONMENTAL SERVICES

Sunstate Environmental Services (Sunstate) has been vested with the authority to act as interim manager of Tacna Water Company, located in Tacna, Arizona.

Sunstate shall use reasonable efforts to operate, manage and maintain Tacna Water Company in order to bring the utility into full compliance with Arizona law, Commission rules and orders and all other applicable regulatory rules.

Sunstate is not responsible or liable for the following:

- Any existing problem or violation, whether known or unknown, with Tacna Water Company system, management, or operations;
- Any future problem or violation, whether known or unknown, with Tacna Water Company system, management, or operations except those caused directly by gross negligence or willful misconduct by Sunstate or its agents.

Sunstate is under no obligation and is not liable to repay, settle, or otherwise resolve any debt, judgment, obligation, compensation, balance, taxes, or claim of or against Tacna Water.

As interim manager, Sunstate is entitled to a monthly fee for interim management of \$8.50 per meter (Management Fee). At its discretion, Sunstate may use Tacna Water Company income to pay for any of the following:

- Management fee
- Tacna Water operations, maintenance, and repairs
- Tacna Water debts
- Capital improvements cost
- Any other financial obligation reasonably incurred by a prudent water system manager or owner

If Tacna Water Company's income during any month is insufficient to allow Sunstate to recoup the Management Fee noted above, the deficit shall be considered a debt of Tacna Water. Sunstate shall be entitled to collect any unpaid Management fees through future rates collect on behalf of Tacna Water. Sunstate has the right to file for an accounting order regarding interim operation expenditures and outlays.

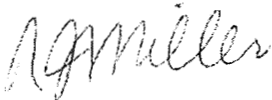
In exchange for the Management fee, Sunstate will perform the following tasks, most of which are normally attendant with the operations and maintenance of a water company as a public service corporation, without additional charge:

- Mailing customer notification letters informing all the customers of the interim manager and contact information;
- Order to have meters read and bill and collect revenue promptly, including billing and collection for back due services,
- Address legitimate customer complaints;
- Connect and disconnect service in accordance with applicable tariffs,
- Test and monitor the system and source water as required by applicable regulations;
- Examine, prioritize, pay bill, or debts of the Tacna Water Company at a standard set by a prudent water system manager or owner in a similar situation;-
- Order minor repairs
- Keep financial records, file annual reports with all regulatory agencies;

Pursuant to conditions set forth below, Sunstate has the authority to perform, or contract with agents to perform, services (not covered by the immediately preceding points above) normally attendant with the general management of a water company as a public service corporation. Compensation for Management Services will be in addition to the Management fee. Prior to receiving any compensation for Management Services, Sunstate will provide a written scope of work, proposed hourly rates, cost estimates, and brief explanation of the proposed Management services to be rendered.

Sunstate may discontinue its activities as interim manager at any time and for any reason provided it gives 30 days written notice of any decision to discontinue.

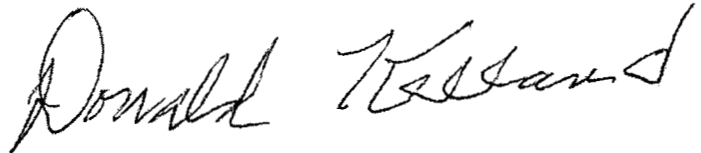
By signature below, I acknowledge receipt of the foregoing and agree to comply with the terms set forth therein.



Nancy Miller

Sunstate Environmental Services

February 14, 2013



Donald Kelland

Tacna Water Company

February 14, 2013

